

RESOLUTION 2009-04

AUTHORIZING THE CONSTRUCTION AND EQUIPPING OF CERTAIN IMPROVEMENTS TO THE TUCSON CONVENTION CENTER PURSUANT TO AN AMENDED AND RESTATED LEASE-PURCHASE AGREEMENT; APPROVING THE EXECUTION OF AN AMENDED AND RESTATED IRREVOCABLE DECLARATION OF TRUST BY WELLS FARGO BANK, N.A., AS TRUSTEE; PROVIDING FOR THE EXECUTION, SALE AND DELIVERY OF NOT TO EXCEED \$15,000,000 AGGREGATE ORIGINAL AMOUNT OF CERTIFICATES OF PARTICIPATION IN THE AMENDED AND RESTATED LEASE-PURCHASE AGREEMENT PURSUANT TO A CERTIFICATE PURCHASE AGREEMENT AND THE APPLICATION OF THE PROCEEDS THEREOF TO CONSTRUCT AND EQUIP IMPROVEMENTS TO THE TUCSON CONVENTION CENTER AND DESIGN AND DEVELOP IMPROVEMENTS TO ADJACENT PROPERTY; APPROVING AND AUTHORIZING A FIRST AMENDMENT TO GROUND LEASE OF THE TUCSON CONVENTION CENTER TO WELLS FARGO BANK, N.A., AS TRUSTEE; APPROVING AND AUTHORIZING A SECOND AMENDMENT TO SUBLEASE OF THE TUCSON CONVENTION CENTER TO THE CITY OF TUCSON, ARIZONA; AND AUTHORIZING AND APPROVING OTHER ACTIONS AND AGREEMENTS NECESSARY TO CONSUMMATE THE CONTEMPLATED IMPROVEMENT, FINANCING AND SUBLEASE TRANSACTIONS

WHEREAS, the Rio Nuevo Multipurpose Facilities District (the "District") was organized on July 19, 1999 by the Cities of Tucson and South Tucson (jointly, the "Organizing Jurisdictions"), as a tax levying public improvement district and a political taxing subdivision of the State of Arizona, for the purpose of acquiring, constructing and developing a multipurpose facility to be located on a parcel of real property in the City of Tucson, Arizona (the "Site"); and

WHEREAS, as provided in Section 48-4201 of the Arizona Revised Statutes, a multipurpose facility means any facility or facilities that includes a primary component located on the multipurpose facility site (described in the publicity pamphlet for the election held in the Organizing Jurisdictions on November 2, 1999) owned or leased by the District that is used to accommodate sporting events and entertainment, cultural, civic, meeting, trade show or convention events or activities, together with parking garages and lots; and

WHEREAS, the Tucson Convention Center (the "TCC") constitutes a multipurpose facility within the meaning of Section 48-4201 of the Arizona Revised Statutes, inasmuch as (i) it is located on the Site and (ii) it is used to accommodate various entertainment, cultural, civic, meeting, trade show and convention events and activities; and

WHEREAS, for purposes of obtaining moneys required to finance the District's acquisition and improvement of the TCC and related property (the "Property"), Wells Fargo Bank Arizona, N.A., as predecessor in trust to Wells Fargo Bank, N.A., as trustee (the "Trustee"), executed and delivered Certificates of Participation (Tucson Convention Center Project), Series 2002 (the "2002 Certificates") in the aggregate original amount of \$33,575,000 evidencing the undivided and proportionate interests of the owners thereof in the Lease-Purchase Agreement, dated as of April 1, 2002 (the "Original Lease Agreement"), between the Trustee, as lessor, and the District, as lessee, and the lease payments to be made by the District pursuant thereto in accordance with the Irrevocable Declaration of Trust, dated as of April 1, 2002 (the "Original Declaration") by the Trustee; and

WHEREAS, pursuant to a Ground Lease Agreement, dated as of December 27, 2007 (the "Original Ground Lease"), between the District, as lessor, and the Trustee, as lessee, the District leased the Property to the Trustee; and

WHEREAS, the Trustee leased the Property back to the District pursuant to the Original Lease Agreement; and

WHEREAS, the District subleased the Property to the City of Tucson, Arizona (the "City") pursuant to the Sublease Agreement, dated as of April 1, 2002 (the "Sublease Agreement"), between the District, as sublessor, and the City, as sublessee, as amended by the First Amendment to Sublease Agreement, dated as of June 20, 2006 (together with the Sublease Agreement, the "Original Sublease Agreement"), for a term and at a rental sufficient to provide for payment of the District's obligations pursuant to the Original Lease Agreement; and

WHEREAS, the District now desires to further improve the Property, including construction of a new east entrance and design and development of a convention center hotel adjacent to the Property, including the design and development costs pursuant to a Master Development Agreement, dated May 12, 2009 (the "Development Agreement"), between the District and Garfield Traub Development Arizona, LLC, and for such purpose has requested the Trustee to execute an Amended and Restated Irrevocable Declaration of Trust (the "Amended Declaration of Trust"), amending and restating the Original Declaration, and, pursuant thereto, to execute and deliver (i) a First Amendment to Ground Lease Agreement (the "First Amendment to Ground Lease" and, together with the Original Ground Lease, the "Ground Lease"), between the District, as lessor, and the Trustee, as lessee, (ii) an Amended and Restated Lease-Purchase Agreement (the "Amended Lease Agreement"), between the Trustee, as lessor, and the District, as lessee, amending and restating the Original Lease Agreement, (iii) Certificates of Participation (City of Tucson Convention Center Expansion Project), Series 2009 (the "2009 Certificates") payable as to principal in an aggregate original amount not to exceed \$15,000,000 evidencing the proportionate interests of the owners thereof in the Amended Lease Agreement and the lease payments to be made by the District pursuant thereto, and (iv) a Second Amendment to Sublease Agreement (the "Second Amendment to Sublease" and, together with the Original Sublease Agreement, the "Sublease"), between the District, as sublessor, and the City of Tucson, Arizona, as sublessee (the "City"), to sublease the Property to the City for a term and at a rental sufficient

to provide for payment of the District's obligations pursuant to the Amended Lease Agreement; and

WHEREAS, the proceeds of the 2009 Certificates will be used to construct and equip improvements to the Property, including construction of a new east entrance and design and development of a convention center hotel adjacent to the Property, including the design and development costs pursuant to the Development Agreement, to pay capitalized interest represented by the 2009 Certificates through October 1, 2012, to fund a debt service reserve fund for the 2009 Certificates, if needed, and to pay the expenses incurred in connection with the execution and delivery of the 2009 Certificates, including any certificate insurance purchased in connection with the 2009 Certificates;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT as follows:

Section 1. Authorization and Approval of Transactions. Subject to the terms and conditions set forth herein, the District hereby (i) authorizes the District's lease of the Property to the Trustee for an extended period pursuant to the Ground Lease, (ii) authorizes the District's lease of the Property from the Trustee pursuant to the Amended Lease Agreement, (iii) approves the Trustee's execution of the Amended Declaration of Trust, (iv) approves the Trustee's execution and delivery of the 2009 Certificates, payable as to principal in an aggregate original amount not exceeding \$15,000,000, to Piper Jaffray & Co. and Stone & Youngberg LLC (together, the "Underwriters") pursuant to the Amended Declaration of Trust and a Certificate Purchase Agreement among the District, the City and the Underwriters (the "Certificate Purchase Agreement") and the use of the proceeds thereof to finance the construction and equipping of improvements to the Property, including construction of a new east entrance and design and development of a convention center hotel adjacent to the Property, including the design and development costs pursuant to the Development Agreement, to fund capitalized interest represented by the 2009 Certificates through October 1, 2012, to fund a debt service reserve fund, if needed, and to pay the expenses incurred in connection with the execution and delivery of the 2009 Certificates, including any certificate insurance purchased in connection with the 2009 Certificates, and (v) authorizes the District's sublease of the Property to the City pursuant to the Sublease.

Section 2. Approval of Documents. The District hereby approves (i) the Amended Declaration of Trust, (ii) the First Amendment to Ground Lease, (iii) the Amended Lease Agreement, (iv) the Second Amendment to Sublease, and (v) the Certificate Purchase Agreement, in substantially the respective forms thereof presented to this meeting.

Section 3. Certificates of Participation. The 2009 Certificates shall be executed and delivered in fully-registered form, initially in book-entry-only form, shall be dated and numbered, shall be payable as to principal in the denominations of \$5,000 and integral multiples thereof and in such amounts (not exceeding in the aggregate \$15,000,000) and on such dates (not later than October 1, 2035), shall be payable as to interest at such rate or rates (not exceeding seven percent (7%) per annum) and shall be subject to prepayment upon such terms and

conditions, in such amounts and on such dates as may be specified in the Amended Declaration of Trust and in the executed Certificate Purchase Agreement. Each of the Chairman, the Secretary and the Treasurer (each an "Authorized Officer") of the District is hereby authorized and empowered for and on behalf of the District to approve the Certificate Purchase Agreement, his or her execution and delivery thereof to evidence conclusively the District's approval thereof.

Section 4. Execution and Delivery of Documents. Each Authorized Officer of the District is authorized and empowered for and on behalf of the District to execute and deliver (i) the First Amendment to Ground Lease, (ii) the Amended Lease Agreement, and (iii) the Second Amendment to Sublease in substantially the respective forms thereof presented to this meeting or with such changes therein and modifications thereto as may be approved by the Authorized Officer executing and delivering the same on behalf of the District, such execution and delivery to evidence conclusively such approval.

Section 5. Disclosure Documents. The District hereby approves the preparation and distribution of a preliminary official statement (the "Preliminary Official Statement") setting forth the terms and conditions for the execution, sale and delivery of, and the payment of and security for, the 2009 Certificates and authorizes (i) each Authorized Officer to deem such Preliminary Official Statement final on behalf of the District for the purposes of the Securities and Exchange Commission Rule 15c2-12, (ii) the preparation and delivery to the Underwriters of a definitive Official Statement in substantially the form of the Preliminary Official Statement with such additions thereto, omissions therefrom and other modifications thereto as may be necessary and appropriate to conform such Official Statement to the terms of the Certificate Purchase Agreement executed and delivered pursuant to Section 3 hereof and (iii) the use and distribution of such definitive Official Statement by the Underwriters in connection with the distribution and sale of the 2009 Certificates.

Section 6. Authorization to Purchase Certificate Insurance. Each Authorized Officer of the District is hereby authorized and empowered for and on behalf of the District to negotiate for and, provided the conditions set forth in Treas. Reg. Section 1.148-4(f) are satisfied, purchase certificate insurance with respect to the 2009 Certificates and to execute and deliver any agreements or instruments required or appropriate for such purpose.

Section 7. Financial Advisor. The District hereby selects RBC Capital Markets Corporation to provide financial professional services with respect to the execution and delivery of the 2009 Certificates as is necessary in order to accomplish the purposes of this Resolution. Any contracts for the provision of such services shall be executed by an Authorized Officer, and the execution of such contracts shall represent approval by the District of the terms of such contracts. The fees, costs and expenses with respect to the foregoing shall be paid from the proceeds of the sale of the 2009 Certificates or any other legally available moneys.

Section 8. Miscellaneous. Each Authorized Officer and any other agent or employee of the District is hereby authorized and empowered to take such other actions and execute and deliver such other instruments and agreements, including appropriate tax certifications and other closing certificates, as may be necessary or appropriate for the purposes of consummating the

transactions contemplated herein, the necessity therefor and the appropriateness thereof to be evidenced conclusively by any such Authorized Officer's taking any such action or executing and delivering any such instrument, agreement or certificate and all actions taken heretofore and hereafter pursuant to the authority hereof are hereby authorized, ratified and approved for and as the actions of the District.

PASSED, ADOPTED AND APPROVED this 15th day of September, 2009.

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

By: _____
Its Chairman

ATTEST:

Its Secretary

APPROVED AS TO FORM:

Shirley A. Harris III
District Counsel